

# HOUSE BILL 590

Q6

~~EMERGENCY BILL~~

0lr2721  
CF SB 657

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By: ~~Delegates Ross and Ivey~~, Ivey, Bartlett, Murphy, and Rice

Introduced and read first time: February 3, 2010

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2010

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Recordation Taxes and State and County Transfer Tax – Debt Forgiven in**  
3 **“Short Sale”**

4 FOR the purpose of clarifying that for the purposes of recordation taxes and the State  
5 and county transfer tax taxes, the consideration payable for an instrument of  
6 writing to which the tax applies ~~does not include the amount of any debt~~  
7 ~~forgiven or assumed by a person other than the grantee~~ includes only the  
8 amount paid or delivered in return for the sale of the property and does not  
9 include the amount of any debt forgiven or no longer secured by a mortgage or  
10 deed of trust; ~~making this Act an emergency measure;~~ and generally relating to  
11 recordation taxes and State and county transfer ~~tax~~ taxes.

12 BY repealing and reenacting, with amendments,  
13 Article – Tax – Property  
14 Section 12–103(a) and 13–203(a)  
15 Annotated Code of Maryland  
16 (2007 Replacement Volume and 2009 Supplement)

17 BY adding to  
18 Article – Tax – Property  
19 Section 13–412  
20 Annotated Code of Maryland  
21 (2007 Replacement Volume and 2009 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Tax – Property**

4 12–103.

5 (a) (1) The recordation tax rates under this section are applied to each  
6 \$500 or fraction of \$500 of consideration payable or of the principal amount of the debt  
7 secured for an instrument of writing.

8 (2) The consideration:

9 (I) includes the amount of any mortgage or deed of trust  
10 assumed by the grantee; AND

11 (II) SUBJECT TO ITEM (I) OF THIS PARAGRAPH, INCLUDES  
12 ONLY THE AMOUNT PAID OR DELIVERED IN RETURN FOR THE SALE OF THE  
13 PROPERTY AND DOES NOT INCLUDE THE AMOUNT OF ANY DEBT FORGIVEN OR  
14 ~~ASSUMED BY A PERSON OTHER THAN THE GRANTEE~~ NO LONGER SECURED BY A  
15 MORTGAGE OR DEED OF TRUST ON THE PROPERTY.

16 13–203.

17 (a) (1) Except as provided in subsection (b) of this section, the rate of the  
18 transfer tax is 0.5% of the consideration payable for the instrument of writing.

19 (2) The consideration:

20 (I) includes the amount of any mortgage or deed of trust  
21 assumed by the grantee; AND

22 (II) SUBJECT TO ITEM (I) OF THIS PARAGRAPH, INCLUDES  
23 ONLY THE AMOUNT PAID OR DELIVERED IN RETURN FOR THE SALE OF THE  
24 PROPERTY AND DOES NOT INCLUDE THE AMOUNT OF ANY DEBT FORGIVEN OR  
25 ~~ASSUMED BY A PERSON OTHER THAN THE GRANTEE~~ NO LONGER SECURED BY A  
26 MORTGAGE OR DEED OF TRUST ON THE PROPERTY.

27 13–412.

28 (A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS  
29 SUBSECTION, A COUNTY TRANSFER TAX SHALL APPLY TO THE CONSIDERATION  
30 PAYABLE FOR AN INSTRUMENT OF WRITING.

1           **(2) IF A COUNTY TRANSFER TAX APPLIES TO MORTGAGES OR**  
2 **DEEDS OF TRUSTS, THE COUNTY TRANSFER TAX SHALL APPLY TO THE**  
3 **CONSIDERATION PAYABLE OR THE PRINCIPAL AMOUNT OF THE DEBT SECURED**  
4 **FOR AN INSTRUMENT OF WRITING.**

5           **(B) THE CONSIDERATION:**

6           **(1) INCLUDES THE AMOUNT OF ANY MORTGAGE OR DEED OF**  
7 **TRUST ASSUMED BY THE GRANTEE; AND**

8           **(2) SUBJECT TO ITEM (1) OF THIS SUBSECTION, INCLUDES ONLY**  
9 **THE AMOUNT PAID OR DELIVERED IN RETURN FOR THE SALE OF THE PROPERTY**  
10 **AND DOES NOT INCLUDE THE AMOUNT OF ANY DEBT FORGIVEN OR NO LONGER**  
11 **SECURED BY A MORTGAGE OR DEED OF TRUST ON THE PROPERTY.**

12           SECTION 2. AND BE IT FURTHER ENACTED, That this Act ~~is an emergency~~  
13 ~~measure, is necessary for the immediate preservation of the public health or safety,~~  
14 ~~has been passed by a yea and nay vote supported by three fifths of all the members~~  
15 ~~elected to each of the two Houses of the General Assembly, and shall take effect from~~  
16 ~~the date it is enacted~~ shall take effect June 1, 2010.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.